



# Accelerating the Use of Prizes to Address Tough Challenges

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The May 2015 report to Congress on the Implementation of Federal Prize Authority for Fiscal Year 2014 highlights that [Challenge.gov](#) is a critical component of the Federal government's use of prize competitions to spur innovation. Federal agencies have used prize competitions to [improve the accuracy of lung cancer screenings](#), [develop environmentally sustainable brackish water desalination technologies](#), encourage local governments to allow entrepreneurs to [launch new startups in a day](#), and [increase the resilience of communities](#) in the wake of Hurricane Sandy. Numerous Federal agencies have discovered that prizes allow them to:

- Pay only for success and establish an ambitious goal without having to predict which team or approach is most likely to succeed.
- Reach beyond the "usual suspects" to increase the number of citizen solvers and entrepreneurs

tackling a problem.

- Bring out-of-discipline perspectives to bear.
- Increase cost-effectiveness to maximize the return on taxpayer dollars.
- Inspire risk-taking by offering a level playing field through credible rules and robust judging mechanisms.

To build on this momentum, the Administration will hold an event this fall to highlight the role that prizes play in solving critical national and global issues. The event will showcase public- and private-sector relevant commitments from Federal, state, and local agencies, companies, foundations, universities, and non-profits. Individuals and organizations interested in participating in this event or making commitments should send us a note at [challenges@ostp.gov](mailto:challenges@ostp.gov) by August 28, 2015.

Commitments may include the announcement of specific, ambitious incentive prizes and/or steps that will increase public- and/or private-sector capacity to design high-impact prizes and challenges. For example:

- Federal, state, and local government agencies could increase their capacity to design and implement ambitious prizes by recruiting full-time prize experts, establishing agency-wide policies for incentive prizes, and providing prize-related mentoring and training to their employees. Agencies could also identify and make available assets that they have – such as datasets, user facilities, and expertise in testing and evaluation – that could be used to support incentive prizes.
- Companies and foundations could partner with the public sector to sponsor incentive prizes using the partnership authority provided by the America COMPETES Act. For example, GE, the NFL, Under Armor and NIST are using a challenge to [advance the development of technologies that can detect early stage mild traumatic brain injuries and improve brain protection](#).
- Foundations could sponsor fellowships for prize designers in the public sector to encourage the development and implementation of ambitious prizes in areas of national importance. Foundations could also sponsor workshops that bring together companies, university researchers, non-profits, and government agencies to identify potential high-impact incentive prizes.
- Universities could establish courses and online material to help students and mid-career professionals learn to design effective prizes and challenges.
- Researchers could conduct empirical research on incentive prizes and other market-shaping techniques (e.g. Advance Market Commitments, milestone payments) to increase our understanding of how and under what circumstances these approaches can best be used to

accelerate progress on important problems.

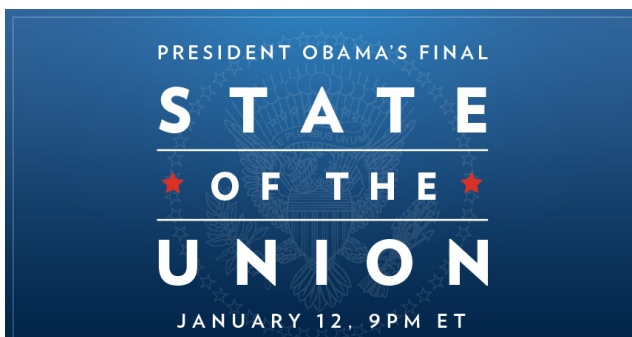
Working together, we can use incentive prizes to inspire people to solve some of our toughest challenges.

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### **Learn More:**

- [Public Sector Prizes and Challenges Show Increased Sophistication, Ambition and Use: A Fiscal Year 2014 Progress Report](#) (May 2015, OSTP Blog)
- [21<sup>st</sup> Century Public Servants: Using Prizes and Challenges to Spur Innovation](#) (April 2015, OSTP Blog)
- [Implementation of Federal Prize Authority: Fiscal Year 2013 Progress](#) (May 2014)
- [Implementation of Federal Prize Authority: Fiscal Year 2012 Progress Report](#) (December 2013)
- [Initial Report from OSTP to Congress on Prizes and America COMPETES in FY2011](#) (March 2012)
- [Fact Sheet and FAQ on Prize Authority in the America COMPETES Reauthorization Act](#)
- [FAQ on PRA & Prizes and Challenges](#)
- [Open Government Directive](#) (December 8, 2009)



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